

# Taiwan Stock Exchange Corporation

## Checklist of Requirements for Securities Firms' Applications for Exit

Requirement	Requirements to be Satisfied (to be ticked by the securities firm)	Supplemental Supporting Documents (to be provided by the securities firm)
<p>1. Explanatory items regarding the letter of application, meeting minutes, etc.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The date on which the TWSE receives the letter of application for exit submitted by the securities firm is no later than 6 business days before the final day of the present cooling-off period</li> <li><input type="checkbox"/> Securities firm's letter of application for exit</li> <li><input type="checkbox"/> Securities firm's board of directors meeting minutes</li> <li><input type="checkbox"/> Explanations as to protection of customer rights and interests</li> </ul>	<p>The securities firm applying for exit shall provide the materials shown as items (1) to (4) below</p> <ul style="list-style-type: none"> <li>(1) Letter of application for exit (specifying the last trading day (which shall be no later than 3 business days before the final day of the cooling-off period), the last date for completion of trade settlement (which shall be no later than 1 business day before the final day of the cooling-off period), the date of exit (which shall be no later than the final day of the cooling-off period)).</li> <li>(2) Board of directors meeting minutes.</li> <li>(3) Written declaration of compliance with the TWSE Rules for Suspension or Termination, and Application for Resumption, of Securities Firm Operations.</li> <li>(4) Report of the last trading day in writing, which the securities firm shall submit on a date no later than 3 business days before that day, given the TWSE's</li> </ul>

		<p>operational needs for making a public announcement on the last trading day with respect to the securities firm.</p> <p><u>The securities firm applying for an exit, when simultaneously submitting an application for its termination of operations on the centralized exchange market, shall provide the materials shown as items (5) to (8) below to the TWSE, which shall subsequently forward them to the competent authority</u></p> <p>(5) Shareholders meeting minutes  (6) Employee placement plan  (7) Minutes of consultation meetings between the securities firm and the corporate union or of labor- management meetings  (8) Name, contact phone number, address, and photocopy of national ID card of the custodian of the company's account books and vouchers related to its finances and business</p>
<p>2. Cessation of participation in transactions</p>	<p><input type="checkbox"/> The securities firm <u>has ceased transactions and completed trade settlement</u></p> <p>Or:</p> <p><input type="checkbox"/> The securities firm still has <u>a portion of transactions and entrusted matters that need to be closed out during the cooling-off period</u> and for which relevant actions need to be duly taken</p>	<p>Supporting materials showing cessation of transactions</p> <p>Or:</p> <p>Materials showing transactions and entrusted matters to be closed out</p>

<p>3. Completion of account transfers, termination of transactions, and completion of settlement operations</p>	<ul style="list-style-type: none"> <li>□ After the approval of the letter of application for exit, a list of information shall be produced, including a ledger of the balances on margin trades up to and including the last business day prior to suspension, contracts, and seal impression cards, which shall be transferred to the authorized firm for checking and acceptance along with other information</li> <li>□ The securities firm has completed all relevant funds and securities payment/deposit obligations for centralized exchange market transactions, competitive auctions, and public subscriptions</li> <li>□ All relevant returns of securities have been completed in satisfaction of securities borrowing and lending (SBL) transactions made through the TWSE securities lending system (including with respect to customers and the dedicated SBL account) and those made through the securities firm's own arrangements</li> <li>□ All relevant securities loan collateral within the TWSE securities lending system has been applied for withdrawal (including with respect to customers and the dedicated SBL</li> </ul>	<ol style="list-style-type: none"> <li>(1) Supporting documentation showing the securities firm's payment/delivery of relevant settlement funds and securities as well as public subscription/competitive auction payments</li> <li>(2) Query result for the lending details of the securities firm's dedicated SBL account</li> <li>(3) Query result for the borrowing details of the securities firm's dedicated SBL account</li> <li>(4) Query result for the securities firm's collateral balance details</li> <li>(5) Query result for withdrawal of performance bonds</li> <li>(6) Query result for performance bonds in the form of bank guarantees</li> <li>(7) Documentary proof of identity for onshore overseas Chinese and foreign nationals</li> <li>(8) Explanatory materials for outstanding transactions and entrusted matters that need to be completed during the cooling-off period</li> </ol>
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	<p>account), or all relevant collateral received by the securities firm for SBL loans made through its own arrangements has been returned to customers</p> <ul style="list-style-type: none"> <li>□ All relevant returns of entitlements have been completed for SBL transactions made through the TWSE securities lending system (including with respect to customers and the dedicated SBL account)</li> <li>□ All relevant securities lending fees have been settled that are receivable or payable arising from the TWSE securities lending system (including with respect to customers and the dedicated SBL account)</li> <li>□ All relevant performance bonds deposited with the TWSE have been applied for return</li> <li>□ All relevant SBL accounts have been cancelled that are opened for SBL loans made through the TWSE securities lending system (including with respect to customers and the dedicated SBL account) and for those made through the securities firm's own arrangements</li> <li>□ All relevant contracts have been terminated that are made between the securities firm and its customers with respect to</li> </ul>	
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	<p>securities business money lending or non-restricted purpose loans</p> <p>The securities firm has submitted a letter to apply for change of the onshore agent of foreign investors, with relevant insider information included therein.</p>	
<p>4. Payment of contribution to the Clearing and Settlement Fund and estimated payment</p>	<ul style="list-style-type: none"> <li>□ The securities firm has paid the amount duly required for the Clearing and Settlement Fund</li> <li>□ The securities firm has paid the amount duly required as an estimated payment (The securities firm shall first issue a letter to consult the TWSE regarding the amount of the estimated payment, which shall be calculated based on 1.5 times the highest of the monthly increased amounts of the accounts receivable by the TWSE from the securities firm among the most recent 6 months. After settlement of accounts, any remaining surplus shall be returned, and any remaining shortfall be made up.)</li> </ul>	<ol style="list-style-type: none"> <li>1. Supporting documentation showing the securities firm's payment and deposit into a TWSE-designated bank account;</li> <li>2. Supporting documentation showing the securities firm's payment and deposit into a TWSE- designated bank account.</li> </ol>

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